

## **FTAA NEGOTIATING GROUP ON AGRICULTURE**

### **Public Summary of U.S. Position**

The FTAA Negotiating Group on Agriculture (NGAG) is responsible for negotiation of tariffs and non-tariff measures for agricultural products, export subsidies and other trade-distorting practices affecting agricultural products in the hemisphere, and sanitary and phytosanitary measures (SPS). The agricultural negotiations focus on the goods defined in Annex I of the WTO Agreement on Agriculture, bearing in mind that SPS measures also apply to goods outside this product definition (e.g., wood and fish).

**Market Access.** Work in the NGAG has focused on developing the data and modalities that will guide future product-by-product market access negotiations. The Negotiating Group on Market Access (NGMA) has a similar mandate for the products under its purview. Indeed, in structuring the FTAA negotiating groups, Ministers recognized the need to establish appropriate linkages and consistency between the work of the NGAG and the NGMA.

The United States seeks a coordinated approach in the NGAG and NGMA on development of fundamental tariff modalities which would be generally applicable to agricultural and non-agricultural products. These methods and modalities include such things as the base rate or starting point from which tariffs will be reduced, the timetable and pace of tariff elimination, the method for determining concessions, product classification and the reference period for trade data. The U.S. position on these issues is detailed in the discussion of the NGMA. A coordinated approach would ensure, for example, that the method used to determine the base rate for agricultural tariffs is not different from the methodology used for non-agricultural products. Once these basic modalities are developed, the application of the general framework to product-by-product, country-by-country negotiations on agricultural products would be solely within the purview of the NGAG. In addition, the NGAG will need to develop the methods and modalities to address market access issues that are unique to agriculture. For example, the United States has notified absorption agreements in certain countries as policies that distort trade and, therefore, should be subject to negotiation. U.S. agricultural negotiators will continue to work with the agricultural community to address appropriately import sensitivities and export interests.

Although the NGAG assumes primary responsibility for the negotiations on agricultural tariffs and non-tariff measures, the rules and disciplines developed by the NGMA in areas such as rules of origin, origin procedures, customs procedures, safeguards and technical barriers to trade will also be critical in determining conditions for market access in agricultural products. For this reason, U.S. agricultural negotiators participate actively in the development of the U.S. position in these areas.

**Export Subsidies and Other Trade-Distorting Practices Affecting Agricultural Products in the Hemisphere.** Consistent with the U.S. call for multilateral elimination of agricultural export subsidies, the U.S. position in the NGAG calls for agreement to eliminate agricultural export subsidies within the hemisphere. The United States proposes that countries agree, concurrently with elimination of export subsidies by FTAA countries, to establish mechanisms to prevent agricultural products from being exported to the FTAA by non-FTAA countries with the aid of export subsidies. The U.S. proposal

utilizes the definition of export subsidies in the WTO Agreement on Agriculture. The U.S. does not consider export credits, export credit guarantees or insurance programs, when provided consistent with WTO rights and obligations, and international food aid to constitute an export subsidy for the purpose of the FTAA Agreement.

The United States also calls for the staged elimination of exclusive export rights granted to state trading enterprises engaged in the export of agricultural products by permitting private traders to participate in, compete for, and transact for exports of agricultural products. In the transition period from exclusive export rights held by state trading enterprises to full competition with private traders, the state trading entities would be required to provide data on pricing and other information and national governments would be prohibited from providing government funds and other financial support to those entities.

**Sanitary and Phytosanitary Measures.** Among the objectives set forth in the San Jose Ministerial Declaration is “...to ensure that sanitary and phytosanitary measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries or a disguised restriction to international trade, in order to prevent protectionist trade practices and facilitate trade in the hemisphere. Consistent with the WTO Agreement on the Application of Sanitary and Phytosanitary Measures, said measures will only be applied to achieve the appropriate level of protection for human, animal or plant life or health, will be based on scientific principles, and will not be maintained without sufficient scientific evidence.”

The United States has proposed that FTAA countries agree to strengthen collaboration on matters within the purview of the WTO SPS Committee as well as in the development of international standards, guidelines or recommendations in relevant international bodies (i.e., the Codex Alimentarius Commission, the International Plant Protection Convention and the International Office of Epizootics). The United States also seeks agreement for FTAA members to undertake activities such as exchange of information on new research data and risk assessment procedures as well as coordination of technical assistance in the area of SPS.

**WTO Negotiations on Agriculture.** The United States strongly supports cooperation among FTAA countries in the WTO negotiations on agriculture to seek the maximum possible improvement in market access opportunities for agricultural products and the multilateral elimination of export subsidies for agricultural products. The United States seeks a recognition by FTAA countries that domestic support reduction commitments can only be achieved in multilateral negotiations and an agreement to work together in the WTO to substantially reduce and more tightly discipline trade-distorting domestic support.